

STATE OF WISCONSIN

Senate Journal

Ninety-First Regular Session

10:00 A.M.

Tuesday, June 29, 1993

The Senate met.

The Senate was called to order by Brian D. Rude, President of the Senate.

The Chair, with unanimous consent, asked that the proper entries be made in the journal.

INTRODUCTION OF BILLS

Read first time and referred:

Senate Bill 364

Relating to eliminating the council on public broadcasting.

By Senator Lorman; cosponsored by Representative Harsdorf.

To committee on Education.

COMMITTEE REPORTS

The committee on Business, Economic Development and Urban Affairs reports and recommends:

Senate Bill 250

Relating to liability of shareholders to corporate employees.

Passage:

Ayes, 3 -- Senators Petak, Buettner and Zien;

Noes, 2 -- Senators Plewa and Moore.

George Petak
Chair

The committee on Transportation, Agriculture, Local and Rural Affairs reports and recommends:

Assembly Bill 535

Relating to motor vehicle dealer franchises.

Concurrence:

Ayes, 5 -- Senators Lasee, Drzewiecki, Zien, Andrea and Clausing;

Noes, 0 -- None.

Alan J. Lasee
Chair

The joint committee on Finance reports and recommends:

Senate Bill 44

An act relating to state finances and appropriations, constituting the executive budget act of the 1993 legislature, and making appropriations.

Introduction and adoption of Senate substitute amendment 2:

Ayes, 13 -- Senators Leean, Stitt, Weeden, Farrow, Schultz and Cowles; Representatives Linton, Holperin, Hubler, Krug, Huber, Panzer and Brancel;

Noes, 3 -- Senators George and Chvala; Representative Coggs.

Passage as amended without recommendation:

Ayes, 8 -- Senators Leean, Stitt, Weeden, Farrow, Schultz and Cowles; Representatives Panzer and Brancel;

Noes, 8 -- Senators George and Chvala; Representatives Linton, Holperin, Hubler, Coggs, Krug and Huber.

Assembly Bill 174

Relating to interest on real estate trust accounts, granting rule-making authority and making an appropriation.

Introduction and adoption of Senate substitute amendment 1:

Ayes, 16 -- Senators Leean, Stitt, Weeden, Farrow, Schultz, Cowles, George and Chvala; Representatives Linton, Holperin, Hubler, Coggs, Krug, Huber, Panzer and Brancel;

Noes, 0 -- Senator.

Concurrence as amended:

Ayes, 16 -- Senators Leean, Stitt, Weeden, Farrow, Schultz, Cowles, George and Chvala; Representatives Linton, Holperin, Hubler, Coggs, Krug, Huber, Panzer and Brancel;

Noes, 0 -- Senator.

Joseph Leean
Co-chair

Barbara J. Linton
Co-chair

REPORT OF JOINT SURVEY COMMITTEE ON Tax Exemptions

Appendix to Senate Bill 44

1. Property Tax Exemption for Benevolent Associations

a. General Nature of Proposal.

Senate Bill 44 revises the property tax exemption for property owned by benevolent associations. Under current law, property owned and used exclusively by benevolent associations, including benevolent retirement homes for the aged, is exempt from property taxation. The Wisconsin Court of Appeals has held that the term benevolent has a broad meaning and does not apply or require alms-giving (St. John's Lutheran Church v. City

of Bloomer, 118 Wis. 2d 398, 347 N.W. 2d 619)(Ct. App. 1984).

Under this bill, the property tax exemption for property owned and used exclusively by benevolent associations, including benevolent retirement homes for the aged, would be replaced by a property tax exemption for property owned and used exclusively by charitable associations, including retirement homes for the aged that are charitable associations. The term "charitable associations" would be defined to mean a nonprofit organization that provides charitable services. The Bill would define "Charitable services" as "a service that is provided free, at nominal cost, or on the basis of ability to pay and that is of such benefit to the community that its discontinuation by the provider may result in the allocation of public funds so that it can be continued."

In addition, the Bill would specifically exempt from property taxation the following property owned by a Young Men's Christian Association (YMCA) or Young Women's Christian Association (YWCA): (1) real property, not exceeding 40 acres of land, that is used exclusively to hold summer training camps or assemblies for moral, religious and health training and other educational purposes; (2) real property not exceeding 10 acres of land used exclusively and continuously by the association for moral, religious and health training and other educational purposes; and (3) property used exclusively for a YMCA's or YWCA's administrative purposes. Under current law, the property in category (1), above, is specifically exempt from property taxation, but the property in categories (2) and (3) is exempt only if the property is exempt because it qualifies as property owned and used exclusively by a benevolent association. (SECTIONS 1670, 1675, 1677, 1679 and 9448 (1)).

d. Public Policy Involved

The Committee reports this SECTION without a policy recommendation.

2. Tax Exemptions for Waste Treatment Facilities
Revised

a. General Nature of Proposal

Under current law, property purchased or constructed as a waste treatment facility is exempt from property taxation if: (1) the facility is approved by the Department of Revenue (DOR) for the purpose of abating or eliminating air or water pollution; (2) the facility is not used to grow agricultural products for sale; and (3) the facility is used to treat industrial waste as defined in s. 144.01(5), Stats., of "air contaminants" as defined in s. 144.30(1), Stats.

In addition, an income tax deduction is allowed for the cost of property purchased or constructed as a waste treatment facility and a sales tax exemption exists for the purchase of tangible personal property which becomes a part of an industrial waste treatment facility.

Under **Senate Bill 44**, except for "wood residue burning boilers," as defined in s. 70.11(21r), Stats., the property tax and sales tax exemptions and the income tax exemption for waste treatment facilities would be available only for waste treatment facilities that treat wastes created by the owner of the waste treatment facility (SECTIONS 1680, 1681, 1682, 1727, 1809 and 9448(5)).

d. Public Policy Involved

The Committee reports this SECTION without a policy recommendation.

3. University of Wisconsin Property Used for
Unrelated
Business Income

a. General Nature of Proposal

Under current law, if a part of property that is otherwise exempt from property taxation is used in a trade or business for which the exempt organization is subject to income taxation on unrelated business income under the U.S. Internal Revenue Code, that part of the property is subject to property taxation. Generally, property is subject to partial property taxation under this provision if: (1) the property is used in a trade or business; (2) the trade or business is regularly carried on by the exempt organization; and (3) the trade or business is not substantially related to the performance by the exempt organization of its exempt purpose or function.

Under this Bill, property that is owned by the University of Wisconsin (UW) Board of Regents would be exempt from the provisions of law imposing partial property taxation on property used to produce unrelated business income (SECTIONS 1678 and 9448(1)).

d. Public Policy Involved

This SECTION is good public policy.

§. Property Tax Exemption for Certain Computers
Repealed

a. General Nature of Proposal

Under current law, computers with rated capacities of at least 30 million instructions per second and computer storage devices that have a capacity of at least 7.5 gigabytes and that are used in conjunction with those computers, which are owned or leased by a marketing research organization and used at least 90% to receive, process and store data received directly by the those computers by electronic means, are exempt from property taxation.

This Bill would repeal the property tax exemption for these computers and computer storage devices. (SECTIONS 1683 and 9448(7).)

d. Public Policy Involved.

This SECTION is good public policy.

5. Use Tax Exemption for Storage of Raw Material for Printing

a. General Nature of Proposal

Under current law, the state 5% use tax is generally imposed upon the storage of tangible personal property within Wisconsin upon which the state sales tax has not been paid. Under **Senate Bill 44**, retroactive to October 1, 1991, the storage of tangible personal property which is subject to Wisconsin sales or use taxes does not include the storage of raw materials purchased from a retailer by publishers or printers and use for processing, fabricating or manufacturing into, or attachment to, printed materials to be transported and used solely outside of this state (SECTION 1805).

d. Public Policy Involved

6. Employer-Provided Transportation Fringe Benefits

a. General Nature of Proposal

Senate Bill 44 would authorize employes to exclude from income subject to state income taxes up to \$60 per month for the value of employer-provided transit passes or of van pooling in an employer-provided commuter highway vehicle. Employes who car-pool or use a commuter highway vehicle would also be authorized to exclude from income up to \$155 per month for the value of employer-provided parking. (SECTIONS 1718-1721, 1726, 1746-1751, 1753-1755, 1757, 1761-1764, 1767-1769, 1772 and 9348(4) and (5).)

d. Public Policy Involved

This SECTION is good public policy.

7. Sale of Animal Tags, Publications and Samples

a. General Nature of Proposal

Senate Bill 44 would provide an exemption from the state sales tax for the sale, storage, use or other consumption of animal tags, publications and standard samples by the Department of Agriculture, Trade and Consumer Protection (SECTIONS 1810 and 9448(3).)

d. Public Policy Involved

This SECTION is good public policy.

Senator Schultz Representative Baumgart
Co-chair Co-chair

PETITIONS AND COMMUNICATIONS

State of Wisconsin

Department of Health and Social Services

May 1993

To the Honorable the Legislature:

Pursuant to the requirements of section 153.10(1), Wis. Stats., I am pleased to submit to the Governor and to the Legislature the quarterly *Health Care Data Report*. This

report is based on hospital inpatient discharge data reported to the Office of Health Care Information by all operating general medical-surgical and specialty hospitals in Wisconsin for the third quarter of 1992 (July-September). It also contains selected outpatient surgery utilization and charge data from general medical-surgical hospitals and freestanding ambulatory surgery centers in Wisconsin during the same quarter.

This report fulfills the statutory requirement to report "in a manner that permits comparisons among hospitals...the charges for up to 100 health care services or diagnostic-related groups selected by the office."

Sincerely,
Ann C. Agnew
Director

State of Wisconsin
Wisconsin Gaming Commission

June 17, 1993

To the Honorable the Legislature:

On behalf of the Wisconsin Gaming Commission, I am herewith submitting for your consideration the Quarterly Reports of the Commission's Lottery and Racing Divisions for October 1, 1992 through December 31, 1992 and January 1, 1993 through March 31, 1993, as required by s.565.37(3) and 562.02(1) (g) Wis. Stats.

If there are any additional questions or comments regarding these reports, or additional information is necessary, please do not hesitate to contact me directly.

Sincerely,
John M. Tries
Chairman

EXECUTIVE COMMUNICATIONS

State of Wisconsin
Office of the Governor

June 8, 1993

To the Honorable, the Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint MARVIN DeVRIES of Madison, as a member of the Architects, Professional Engineers, Designers and Land Surveyors Examining Board pursuant to the statute governing, to serve for the term ending July 1, 1997.

Respectfully,
Tommy Thompson
Governor

Read and referred to committee on Business, Economic Development and Urban Affairs.

SENATE CLEARINGHOUSE ORDERS

Senate Clearinghouse Rule 92-101

Relating to pari-mutuel racing and intertrack wagering in Wisconsin.

Submitted by Racing Board.

JOURNAL OF THE SENATE [June 29, 1993]

Report received from agency, June 25, 1993.

Referred to committee on Business, Economic Development and Urban Affairs, June 29, 1993.

Senate Clearinghouse Rule 93-57

Relating to requirements for renewal.

Submitted by Department of Regulation and Licensing.

Report received from agency, June 25, 1993.

Referred to committee on Health, Human Services and Aging, June 29, 1993.

The committee on Environment and Energy reports and recommends:

Senate Clearinghouse Rule 92-186

Relating to the training and certification requirements for solid waste treatment facility operators that are employed at facilities that burn solid waste.

No action taken.

Senate Clearinghouse Rule 92-193

Relating to the creation of an employe trip reduction program to reduce organic compound and nitrogen oxide emissions from vehicles.

No action taken.

Senate Clearinghouse Rule 93-64

Relating largemouth and smallmouth bass sport fishing in lower Clam Lake, Burnett county.

No action taken.

Robert Cowles
Chair

ADJOURNMENT

Senator Rude, with unanimous consent, asked that the Senate adjourn until 10:00 A.M. Wednesday, June 30, 1993.

10:01 A.M.

AMENDMENTS OFFERED

Senate substitute amendment 1 to **Senate Bill 178** offered by Senator Farrow.

CHIEF CLERK'S REPORT.

The chief clerk records:

Senate Bill 140.

Correctly enrolled and presented to the Governor on June 28, 1993.